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ABSTRACT

This report describes the degree and nature of hardship among low-income and poor working and nonworking families in a nationally representative sample of kindergartners--the Early Childhood Longitudinal Study (Kindergarten Cohort). Five hardship indicators were examined: (1) lack of child health insurance; (2) child has not seen doctor at least once in previous year; (3) child has not seen dentist at least once in previous year; (4) family residential instability; and (5) insufficient food in previous year. Findings indicated that at least 1 in 8 families with incomes between 100 and 200 percent of the federal poverty level (FPL) could not obtain child health insurance, had not taken their child to a dentist in the past year, and had moved at least three times in their child's life. Children in families with incomes below FPL were more likely to have health insurance if neither parent was working than if one or more parents were employed full-time. The inability to obtain sufficient food and child health insurance was constant among families with incomes 100 to 200 percent of FPL, regardless of parental work status. Only when incomes were above 200 percent of FPL were parents who were working full-time better able to provide for their children than parents working less than full-time and receiving assistance. The report concludes with a discussion of policy implications and recommendations for expanding federally-funded food assistance programs, eliminating disincentives and redoubling efforts to enroll children in public health insurance programs, and providing working parents with access to health insurance and food stamps to offset costs of working. (Contains 15 endnotes.) (KB)

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Living at the Edge

RESEARCH BRIEF No. 3

Low Income and Hardship Among America's Kindergartners

Elizabeth Gershoff

September 2003

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LIVING AT THE EDGE RESEARCH BRIEF 3
Low Income and Hardship Among America's Kindergartners

SERIES INTRODUCTION

The federal poverty level, the standard by which the United States determines economic need, was developed 40 years ago. Data collected in the 1950s indicated that, on average, families spent one-third of their income on food. The original poverty level used the costs of the U.S. Department of Agriculture's "economy food plan" and multiplied those costs by three.* Today, food comprises far less than one-third of a family's expenses, while housing, transportation, and child care costs have grown disproportionately. Yet we still measure poverty by the original standard developed in the early 1960s.

The federal poverty level for a family of four is currently $18,400.* There are 12 million children who live in such families in this country. However, the numbers are far worse. Double the income that is considered "poverty" is needed for most families to provide their children with basic necessities like adequate food, stable housing, and health care. Families who live in this gray area between official poverty and minimum economic security have many of the material hardships and financial pressures that officially poor families face. As their income grows, they rapidly lose eligibility for public benefits, making it harder for them to reach economic self-sufficiency. As a nation, we must make a commitment to provide low-income families with the tools they need to create better lives for themselves.

There are 27 million children living in low-income families in the United States—nearly 40 percent of all children—a figure that is not officially acknowledged. This series examines who these families are, their challenges, and the policy solutions. Policies that do not address the complexity of the problem are not enough. True economic security includes: (1) stable, predictable income; (2) savings and assets that can help families survive crises and plan for the future; and (3) human and social capital (e.g., education, skills, and support systems) that help families improve their financial status.

The third report in the series, *Low Income and Hardship Among America's Kindergartners* looks at four indicators of hardship and notes that at least one in eight families with incomes between 100 and 200 percent of the federal poverty level still cannot obtain health insurance for their children, have not taken their child to a dentist in the last year, and have moved three or more times in the child's life. Additionally, the fact that two parents working full time does not guarantee that children will live out of poverty or without hardship emphasizes the need for public policies that support low-wage work.

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* For more information about the federal poverty level, see the web site of the U.S. Department of Health and Human Services: <aspe.hhs.gov/poverty/03poverty.htm>.

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Seventeen percent of all American children live in families whose incomes fall below the federal poverty level (FPL), and this number is growing.[1] While tracking the number of children and families who are officially "poor" is crucial to understanding our country's economic and social health, it is important to recognize that families whose incomes fall between 100 and 200 percent of the federal poverty level are susceptible to most of the same hardships.

Income alone is an insufficient index of how children in families with low incomes are faring. Previous studies have suggested that the hardships associated with low-income families take a negative toll on children.[2] In addition, having two parents working full-time does not guarantee that children will live out of poverty or without hardship.

Our findings indicate that hardship does not drop off until family incomes reach twice the poverty line—$36,800 for a family of four in 2003. Consumer expenditure analyses reveal that an income of roughly twice the poverty line would be necessary for a family of two adults and two children to meet their basic needs for food, housing, health care, child care, transportation, and other necessities as well as to pay taxes.[3] The vast majority of children in low-income families have working parents.

This report describes the degree and nature of hardship among low-income working and non-working families in a nationally representative sample of children attending kindergarten—The Early Childhood Longitudinal Study (Kindergarten Cohort) (see box). A family is considered to be low-income if their income is less than 200 percent of the federal poverty level (FPL).[4]

The Early Childhood Longitudinal Study (Kindergarten Cohort)

Data Set

Early Childhood Longitudinal Study, Kindergarten Class of 1998-99 (ECLS-K), is a longitudinal, nationally representative study of 21,255 American kindergartners that began in 1998 as an ongoing effort by the U.S. Department of Education, National Center for Education Statistics. The sample includes 51 percent boys and is 59 percent European-American, 17 percent Latino, 14 percent African-American, 5 percent Asian-American, and 5 percent of other race or ethnic group. Seventy-five percent of the children came from two-parent families. The ECLS-K follows the children from kindergarten through fifth grade.*

Income Groups

In this nationally representative sample, 45 percent of kindergartners live in low-income families: 25 percent live in families with incomes between 100 percent and 200 percent of FPL, and 20 percent live in families with incomes below the FPL. These rates are comparable to the national rates for families with children under age 6 as reported by the U.S. Census Bureau for 2001.** (See Figure 1 for examples of income equivalents as a percent of FPL.)

Figure 1: Family Income Group Equivalents as a Percent of the Federal Poverty Level, 2003

*Family Income Groups as a Function of the Federal Poverty Line (FPL)****	*Equivalent 2003 Annual Income for a Family of Four*
0 to 100% of FPL	$0 – $18,400
100% to 200% of FPL	$18,400 – $36,800
200% to 300% of FPL	$36,800 – $55,200
300% or more of FPL	$55,200 or more

* For more information, see <nces.ed.gov/ecls>.

**Proctor, B. D., Dalaker, J., & U.S. Census Bureau. (2002). *Poverty in the United States, 2001* (Current Population Reports No. P60-219). Washington, DC: U.S. Census Bureau <http://www.census.gov/prod/2002pubs/p60-219.pdf>.

***See <aspe.hhs.gov/poverty/03poverty.htm>.

Defining Hardship

For this research, NCCP used five indicators of hardship:

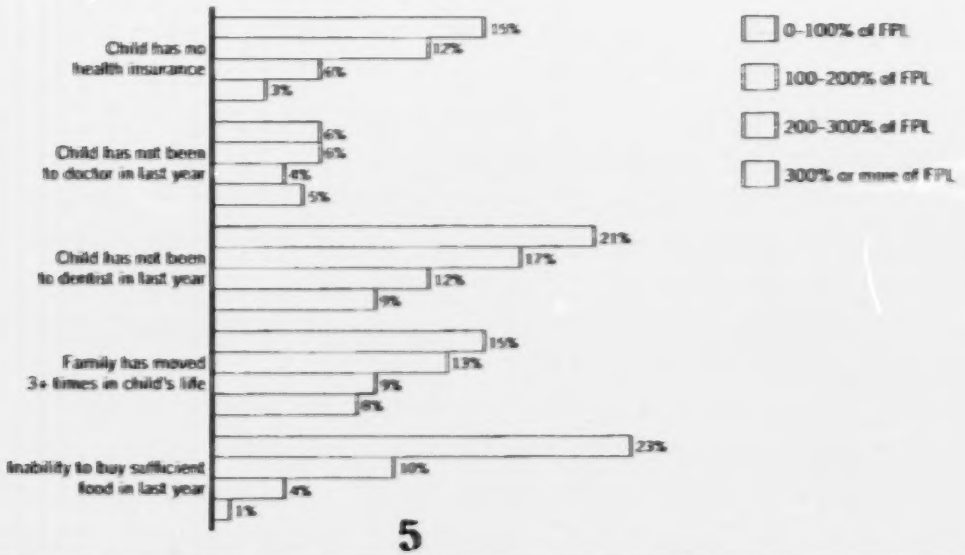
- Child is not covered by **health insurance**.
- Child has **not been to a doctor** at least once in the previous year—as recommended by the American Academy of Pediatrics, 2000.[5]
- Child has **not been to a dentist** at least once in the previous year—as recommended by the American Academy of Pediatric Dentistry, 2000.[6]
- Family has experienced **residential instability**, defined as having moved three or more times from when the child was born until the child was in kindergarten.
- Family has had **insufficient food** in the previous year, such as not enough money to buy food, family members going without eating one or more meals.[7]

Experiences of Hardship

Three markers of hardship paint a bleak picture: health insurance, dental care, and frequent moves. At least one in eight families with incomes between 100–200 percent of FPL still cannot obtain health insurance for their children, have not taken their child to a dentist in the last 12 months, and have moved three or more times in the child's life. These indicators do not drop off substantially until family incomes rise to twice the poverty level. These findings are consistent with other research that 30 percent of families with incomes below twice the poverty line experienced at least one critical hardship, such as missing meals or eviction from their homes.[8] (See Figure 2.)

The 8 percent of five-year-olds without health coverage in this sample is roughly comparable with other research that 12 percent of all children below the age of 19 are without health insurance.[9] Yet despite the lack of coverage, parents persevere in obtaining medical care for their children, with the number of children not receiving medical care fairly constant, and low, across income groups.

Figure 2: Experiences of Hardship Within Income Groups, 1998



What is more difficult to obtain is dental care. Nineteen percent of the low-income children in this study had not been to a dentist in the last year.

Food insufficiency findings are also disturbing. Nearly one in four families with incomes below 100 percent of FPL reported some inability to meet their family's food needs in the past year. Examples of the ways in which low-income families deal with this include parents skipping meals so that the children can eat or relying on powdered rather than fresh milk. Once a family earns between 100 percent and 200 percent of FPL, difficulty meeting food needs drops to 10 percent. While most children in the United States rarely go without meals, children in low-income families frequently do not get the nutrition they need.

Parent Work Status and Hardship

One or even two full-time working parents does not guarantee that children will live without poverty or hardship. Eighty-two percent of children in low-income families have at least one working parent.[10] Seventy-three percent of the low-income families in this sample include at least one parent working full-time. (The additional 9 percent of low-income families include at least one parent working part-time.)

Ironically, children in families with incomes below 100 percent of FPL are *more likely* to have health insurance if neither of their parents are working than if one or more parents are working full-time. (See Figure 3.) One explanation may be that families in which there is no parent working full-time are more likely to participate in the welfare system and thus may have greater knowledge of and access to public benefits. In contrast, parents working full-time but earning less than 100 percent of FPL may not realize that they are probably eligible for food stamps and that their children are eligible for public health insurance.

It is also striking that an inability to obtain sufficient food and to have children covered by insurance is constant among low-income families with incomes between 100–200 percent of FPL, regardless of parents' work status. It is only when incomes rise above 200 percent of FPL that parents working full-time are better able to provide for their children than parents

Figure 3: Children Without Health Insurance by Family Income and Parent Work Status, 1998

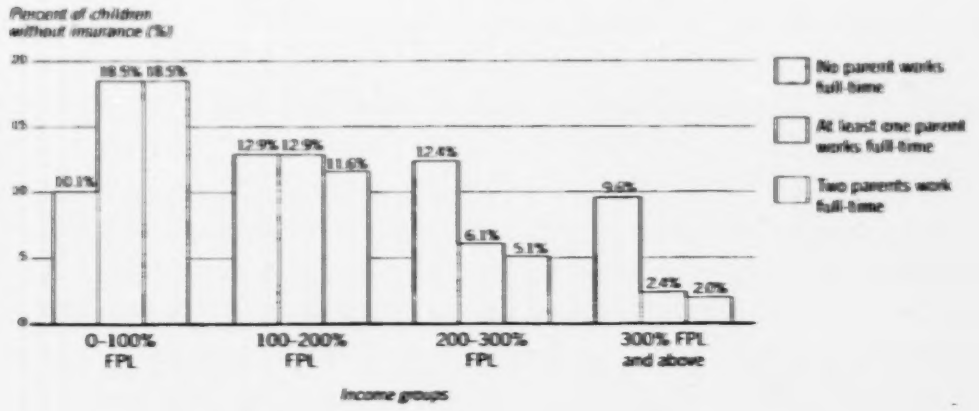
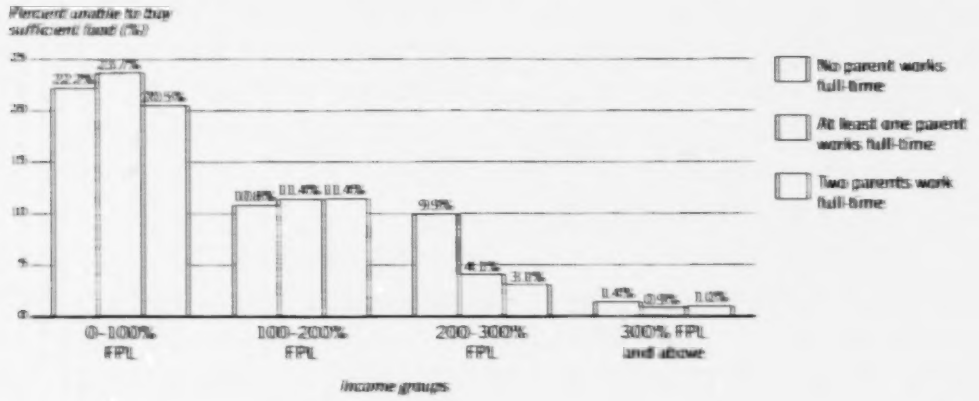


Figure 4: Inability to Buy Sufficient Food by Family Income and Parent Work Status, 1998



working less than full-time. (See Figures 3 and 4.) That children in low-income families may not benefit from their parents working starkly illustrates the fact that families with earnings above the poverty level rapidly lose eligibility for food stamps and health insurance,[11] even though most low-wage jobs do not provide health insurance. As the first Research Brief in this series notes, "employment is not enough for America's low-income children and families."[12]

Policy Implications

That any child in our wealthy and productive country should go without food is a tragedy. With nearly one in ten families in this sample having difficulty meeting minimum food needs, there is a great need for federally funded food assistance programs. Unfortunately, only 52 percent of families experiencing food insecurity nationally receive food stamps, WIC, or free or reduced-price school lunches[13] suggesting the need for greater funding and, in some cases, outreach efforts to increase access to food assistance programs.

The finding that 15 percent of children in families with incomes below 100 percent of FPL and 12 percent of families with incomes between 100–200 percent of FPL are without health insurance, despite probable eligibility for public health insurance, indicates a need to eliminate disincentives and to redouble efforts to enroll eligible children and families into Medicaid and SCHIP programs.[14] This is particularly important given that low-wage jobs, such as those often held by former welfare recipients, rarely include health insurance benefits for workers or their families. Added effort is needed to ensure that all low-income families need not worry about how to provide preventive or sick care for their young children.

Finally, the finding that most of the families with incomes between 100-200 percent FPL include at least one full-time working parent, and even so continue to experience hardship, underscores the importance of work supports such as child care subsidies. It also emphasizes the need to provide working parents with access to health insurance and food stamps to offset the costs of working,[15] ideally until they are able to earn a financially sufficient and stable income.

Endnotes

1. U.S. Census Bureau. (2003). *American Community Survey Change Profile 2001-2002.* Washington, DC: U.S. Census Bureau. <www.census.gov/acs/www/Products/Profiles/Chg/2002/0102/US.htm>.

2. Gershoff, E. T.; Aber, J. L.; & Raver, C. C. (2003). Child poverty in the United States: An evidence-based conceptual framework for programs and policies. In F. Jacobs, D. Wertlieb, & R. M. Lerner (Eds.), *Promoting positive child, adolescent, and family development through research, policies, and programs* (Handbook of Applied Developmental Science Vol. 2). Thousand Oaks, CA: Sage Publications, pp. 81-136.

3. Bernstein, J.; Brocht, C.; & Spade-Aguilar, M. (2000). *How much is enough? Basic family budgets for working families.* Washington, DC: Economic Policy Institute <http://www.epinet.org/books/HowMuchIsEnough-FINAL.pdf>.

4. The federal poverty level is currently $18,400 for a family of four. This number is from the federal poverty guidelines issued by the U.S. Department of Health and Human Services. The findings in the report were calculated using a more complex version of the federal poverty measure—the thresholds issued by the U.S. Census Bureau. For more information about federal poverty measures, see <aspe.hhs.gov/poverty/03poverty.htm>.

5. American Academy of Pediatrics. (2000). Recommendations for preventive pediatric health care (RE9939). *Pediatrics, 105*(3), p. 645 <www.aap.org/policy/re9939.html>.

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10. The percentage of low-income children in this sample of kindergartners with at least one working parent (82 percent) is comparable with that reported for all low-income children under age 18 in the first report of this series using the U.S. Census Bureau's March Current Population Surveys (85 percent). See Cauthen, N. K. & Lu, H. (2003). *Employment alone is not enough for America's low-income children and families* (Living at the Edge Research Brief 1). New York, NY: National Center for Children in Poverty, Columbia University Mailman School of Public Health <http://www.nccp.org/media/lat03a-text.pdf>.

11. See Cauthen & Lu in endnote 10.

12. Ibid.

13. Nord, M.; Andrews, M.; & Carlson, S. (2002). *Household food security in the United States, 2001* (Food Assistance and Nutrition Research Report No. 29). Washington, DC: Food and Rural Economics Division, Economic Research Service, U.S. Department of Agriculture <http://www.ers.usda.gov/publications/fanrr29>.

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15. See Cauthen & Lu in endnote 10.

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